

Message Text

CONFIDENTIAL

PAGE 01 LIMA 01546 262025Z

64

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-02 COME-00 DODE-00 FEA-02 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-10 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SPC-03 SS-20 STR-08 TRSE-00 DRC-01 /148 W

----- 044493

P 261930Z FEB 74

FM AMEMBASSY LIMA

TO SECSTATE WASHDC PRIORITY 9025

C O N F I D E N T I A L LIMA 1546

EO 11652: GDS

TAGS: ENRG, PE

SUBJ: ENERGY: PERUVIAN JUNGLE PETROLEUM DRILLING

SCHEDULES THREATENED BY FUEL SHORTAGES

REF: LIMA 1421

1. REPRESENTATIVES OF THE SEVEN FOREIGN OIL COMPANIES (SIX ARE US FIRMS) WHICH PLAN TO BEGIN DRILLING OPERATIONS IN THE PERUVIAN JUNGLE DURING CY-74 HAVE TOLD US THAT THEIR OPERATIONS ARE CURRENTLY THREATENED BY LACK OF THREE DEY FUELS, DIESEL, JP-1, AND AVGAS. JP-1 DIESEL ARE PRESENTLY AVAILABLE AT SUBSTANTIALLY HIGHER PRICES, AS IS AVGAS, BUT SHOULD AVGAS SHORTAGE MENTIONED REFTEL MATERIALIZ, IT PROBABLE SOME EXPLORATORY AND/OR DRILLING OPERATIONS WILL HAVE TO BE POSTPONED.

2. THE SEVEN COMPANIES ARE PREPARING TO DRILL THEIR FIRST WELLS DURING NEXT SEVERAL MONTHS. LEGALLY, THE COMPANIES. ALL OF WHICH SIGNED CONTRACTS IN LATE 1971 AND EARLY 1972 WITH PETROPERU, ARE OBLIGATED TO BEGIN DRILLING THE FIRST OF FOUR (OR, IN ONE CASE, THREE) WELLS WITHIN THIRTY MONTHS OF THE CONTRACT DATE AND MUST COMPLETE THE LAST WELL WITHIN 48 MONTHS OF THAT DATE. FOLLOWING TABLE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LIMA 01546 262025Z

PRESENTS ESTIMATED AND REQUIRED DRILLING DATES EACH COM-

PANY:

DATE BY WHICH DRILLING COMPANY'S
OF FIRST WELL MUST COM- ESTIMATED
MENCE. DRILLING DATE

AMOCO JULY 14, 1974 JUNE 19, 1974
(WITH PECTENSHELL)

ARCO OCTOBER 15, 1974 JULY 1, 1974

BRITISH PETROLEUM MAY 17, 1974 LATE APRIL/EARLY
MAY 1974

GETTY (WITH PAN OCEAN JULY 14, 1974 EARLY APRIL 1974
AND TRANSWORLD)

PHILLIPS JULY 14, 1974 EARLY MAY, 1974

SUN (WITH CONTINENTAL MARCH 2, 1975 APRIL 15-MAY 15,
AND CHAMPLIN) 1974

UNION (WITH TENNECO) APRIL 13, 1974 MAYBE MID-APRIL,
1974

3. IN ADDITION TO SIX COMPANIES, OCCIDENTAL, THE FIRST FOREIGN OIL COMPANY TO NEGOTIATE A CONTRACT, HAS SUCCESSFULLY DRILLED FIVE WELLS AND IS CURRENTLY DRILLING TWO MORE CONFIRMATION WELLS. VARIOUS SCHEMES HAVE BEEN PROPOSED BY THESE COMPANIES, INCLUDING REFINING A PORTION OF OXY'S EXISTING OIL AT SMALL REFINERIES IN JUNGLE. TO DATE NO FEASIBLE SCHEME HAS BEEN WORKED OUT AND IT NOT CLEAR WHETHER OXY WOULD BE WILLING TO SHARE ANY OF ITS OIL WITH OTHER CONTRACTORS.

4. COMMENT: AS DEPARTMENT AWARE, PERU HAS BEEN COUNTING HEAVILY ON PRESENT DRILLING SCHEDULES BEING MET ON TIME, SO THAT OVERALL SELF-SUFFICIENCY IN PETROLEUM PRODUCTION MAY BE OBTAINED AS SOON AS POSSIBLE. PETROPERU AND OIL COMPANIES MAY BE ABLE TO REACH SOME INTERIM
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LIMA 01546 262025Z

SOLUTION TO SHORT SUPPLY OF DIESEL, JP-1, AND AVGAS, HOWEVER, IN CASE OF AVGAS, USG MAY WISH TO CONSIDER FAVORABLE IMPACT WHICH SUGGESTED MUTUALLY BENEFICIAL SWAP ARRANGEMENT MENTIONED REFTTEL COULD HAVE ON OIL EXPLORATION PROGRAM, A GESTURE WHICH WOULD NOT BE LOST ON PETROPERU IN PARTICULAR AND GOP IN GENERAL. GESTURE COULD ALSO BE FAVORABLE AFFECT FUTURE GOP DECISIONS ON HOW AND UNDER WHAT CIRCUMSTANCES EVENTUAL PERUVIAN OIL PRODUCTION WILL BE ALLOCATED WHEN FULL PRODUCTION

ACTUALLY BEGINS.
BELCHER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, FUEL OIL, SUPPLIES, EXPLORATORY DRILLING, CONTRACTS, PETROLEUM CONCESSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LIMA01546
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974029/aaaaaiek.tel
Line Count: 117
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: LIMA 1421
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 19 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 SEP 2002 by cunninfx>; APPROVED <09 DEC 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ENERGY: PERUVIAN JUNGLE PETROLEUM DRILLING SCHEDULES THREATENED BY FUEL SHORTAGES
TAGS: ENRG, PE, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005